Amendments

100. (previously presented) A method of managing combined life insurance and annuities for a group of insured persons, comprising the steps of:

arranging financing from a commercial lender;

using a first entity to acquire at least one annuity for each insured person using a portion of the financing from the commercial lender, wherein the first entity is owned by a second entity that is of a tax favored nature, and wherein each annuity provides an income stream that is allocated to the second entity so that it receives tax favored treatment;

acquiring at least one life insurance policy for each insured person using a set of third entities, wherein the owner of each third entity has an insurable interest in one of the group of insured persons, and each third entity acquires at least one life insurance policy on the life of the insured person in which its owner has the insurable interest,

and wherein each third entity is organized in a manner to shield the insured person on which it has acquired life insurance from liability from the commercial lender and from any taxes on the annuity acquired for that insured person;

using a portion of the financing from the commercial lender to pay the initial premium for each life insurance policy; and

distributing the income streams from the annuities to pay the annual premiums for the life insurance policies and to pay the interest and principal on the financing from the commercial lender.

101. (deleted).

102. (previously presented) The method of claim 100, wherein a portion of the financing from the commercial lender is paid to the first entity as a service fee.

103. (presently amended) The method of Claim 100, wherein the second ~~first~~ entity comprises an insurance company.

104. (presently amended) The method of Claim 100, wherein the second ~~first~~ entity comprises a business incorporated under the laws of the United States Virgin Islands.

105. (presently amended) The method of Claim 100, wherein the second ~~first~~ entity comprises a charity.

106. (presently amended) The method of Claim 100, wherein the second ~~first~~ entity comprises an employee plan.

107. (presently amended) The method of Claim 100, wherein the second ~~first~~ entity comprises an Indian Tribe.

108. (previously presented) The method of Claim 100, wherein the third entity comprises a corporation.

109. (previously presented) The method of Claim 108, wherein the corporation is a limited liability corporation.

110. (previously presented) The method of Claim 100, wherein the third entity comprises a partnership.

111. (previously presented) The method of Claim 100, wherein the third entity comprises a trust.

112. (previously presented) The method of Claim 100, wherein at least one of the third entities is owned by the person on whom the third entity has purchased the life insurance policy.

113. (previously presented) A method of managing combined life insurance and annuities for a group of insured persons, comprising the steps of:

using a first entity to acquire at least one annuity for each insured person, wherein the first entity is owned by a second tax favored entity, and the income stream from each annuity is allocated to the second entity so that the income streams receive tax favored treatment;

acquiring a plurality of life insurance policies using a set of third entities, wherein each third entity acquires at least one life insurance policy on the life of an insured person, and each third entity is organized in a manner to shield the insured person on which it has acquired life insurance from any taxes on the income stream from the annuity acquired for that insured person; and

distributing at least a portion of the income stream from the annuities to pay the annual premiums for the life insurance policies.

114. (previously presented) The method of Claim 113, wherein each third entity provides funding to the first entity to acquire the at least one annuity for the person on whom the third entity has acquired the at least one life insurance policy.

115. (previously presented) A system for managing combined life insurance and annuities for a group of insured persons, comprising:

financing means for arranging financing from a commercial lender;

a first entity for acquiring at least one annuity for each insured person using a portion of the financing from the commercial lender,

a second entity which owns the first entity and is of a tax favored nature, and wherein each annuity provides an income stream that is allocated to the second entity so that it receives tax favored treatment;

at least one third entity for acquiring at least one life insurance policy for each insured person, wherein the owner of each third entity has an insurable interest in one of the group of insured persons, and each third entity acquires at least one life insurance policy on the life of the insured person in which its owner has the insurable interest, and wherein each third entity is organized in a manner to shield the insured person on which it has acquired life insurance from liability from the commercial lender and from any taxes on the annuity acquired for that insured person;

paying means for using a portion of the financing from the commercial lender to pay the initial premium for each life insurance policy; and

income distributing means for distributing the income streams from the annuities to pay the annual premiums for the life insurance policies and to pay the interest and principal on the financing from the commercial lender.